



## **INTERNATIONAL TRADE COMMISSION**

### **Investigation No. 337-TA-744**

### **CERTAIN MOBILE DEVICES, ASSOCIATED SOFTWARE, AND COMPONENTS THEREOF**

#### **DETERMINATION TO REVIEW FINAL INITIAL DETERMINATION**

**AGENCY:** U.S. International Trade Commission.

**ACTION:** Notice.

**SUMMARY:** Notice is hereby given that the U.S. International Trade Commission has determined to review in part the final initial determination (“ID”) issued by the presiding administrative law judge (“ALJ”) on December 20, 2011.

**FOR FURTHER INFORMATION CONTACT:** Michael Liberman, Esq., Office of the General Counsel, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone (202) 205-3115. Copies of non-confidential documents filed in connection with this investigation are or will be available for inspection during official business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone (202) 205-2000. General information concerning the Commission may also be obtained by accessing its Internet server at <http://www.usitc.gov>. The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>. Hearing-impaired persons are advised that information on this matter can be obtained by contacting the Commission's TDD

terminal on (202) 205-1810.

**SUPPLEMENTARY INFORMATION:** The Commission instituted this investigation on November 5, 2010, based on a complaint filed by Microsoft Corporation of Redmond, Washington. 75 *Fed. Reg.* 68379-80 (Nov. 5, 2010). The complaint alleges violations of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. § 1337, in the importation into the United States, the sale for importation, and the sale within the United States after importation of certain mobile devices, associated software, and components thereof by reason of infringement of U.S. Patent Nos. 5,579,517 (“the ‘517 patent”); 5,758,352 (“the ‘352 patent”); 6,621,746 (“the ‘746 patent”); 6,826,762 (“the ‘762 patent”); 6,909,910 (“the ‘910 patent”); 7,644,376 (“the ‘376 patent”); 5,664,133 (“the ‘133 patent”); 6,578,054 (“the ‘054 patent”); and 6,370,566 (“the ‘566 patent.”) Subsequently, the ‘517 and the ‘746 patents were terminated from the investigation. The notice of investigation, as amended, names Motorola Mobility, Inc. of Libertyville, Illinois and Motorola, Inc. of Schaumburg, Illinois as respondents. Motorola, Inc. n/k/a Motorola Solutions was terminated from the investigation based on withdrawal of infringement allegations on July 12, 2011.

The final ID on violation was issued on December 20, 2011. The ALJ issued his recommended determination on remedy and bonding on the same day. The ALJ found that a violation of section 337 has occurred in the importation into the United States, the sale for importation, or the sale within the United States after importation of certain mobile devices, associated software, and components thereof containing same by reason of infringement of one or more of claims 1, 2, 5 and 6 of the ‘566 patent. Both Complainant and Respondent filed

timely petitions for review of various portions of the final ID, as well as timely responses to the petitions.

Having examined the record in this investigation, including the ALJ's final ID, the petitions for review, and the responses thereto, the Commission has determined to review the ID in part. In particular, the Commission has determined to review: (1) the ID's determination regarding the economic prong of the domestic industry requirement with respect to all of the presently asserted patents in this investigation, *i.e.*, the '352 patent, the '762 patent, the '910 patent; the '376 patent, the '133 patent, the '054 patent, and the '566 patent; (2) the ID's determination regarding the technical prong of the domestic industry requirement with respect to all of the presently asserted patents; (3) the ID's anticipation and obviousness determinations with respect to the '566 patent; (4) the ID's infringement determination with respect to the '352 patent; and (5) the ID's analysis of induced infringement with respect to all of the presently asserted patents. The Commission has determined not to review the remainder of the final ID.

The parties are requested to brief their positions on only the following issues, with reference to the applicable law and the evidentiary record:

(1) With respect to the domestic industry:

(a) For all of the presently asserted patents, what statutory provisions, Federal Circuit and Commission precedent, and record evidence support respondent's argument that the

ALJ impermissibly analyzed different articles for purposes of the technical and economic prongs of the domestic industry requirement, *see* Respondent's Petition for Review at 28?

(b) Under Federal Circuit and Commission precedent and section 337 statutory provisions, where an asserted patent covers both hardware and software as one system, is it (i) necessary, and/or (ii) sufficient to demonstrate that the software at issue is implemented and functions on a third party's hardware (*e.g.*, a smartphone) in order to satisfy the technical prong of domestic industry requirement?

(c) For all of the presently asserted patents, what statutory provisions and Commission precedent specifically support the ID's determination regarding the economic prong of the domestic industry requirement and particular findings made in support of such determination?

(2) With respect to the '566 patent:

(a) (i) Please identify all the arguments made before the ALJ that rely on factual support from the record and legal

support provided by applicable Federal Circuit and Commission precedent demonstrating that the Apple Newton MessagePad prior art reference discloses the “synchronization component” of claim 1; (ii) What, if any, disclosures are missing from the Apple Newton MessagePad reference such that it does not meet the “synchronization component” limitation of claim 1;

(b) Please identify all the arguments made before the ALJ that rely on factual support from the record and legal support provided by applicable Federal Circuit and Commission precedent demonstrating that respondent met its burden of proof to show that the Apple Newton MessagePad reference anticipates claim 5.

(c) Please identify all the arguments made before the ALJ that rely on factual support from the record and legal support provided by applicable Federal Circuit and Commission precedent demonstrating that prior art references render the asserted claims of the ‘566 patent obvious;

(3) With respect to the '352 patent, please identify all the arguments made before the ALJ that rely on factual support from the record and legal support provided by applicable Federal Circuit and Commission precedent demonstrating that complainant met its burden of proof to show that (a) the accused products infringe the asserted claims of the '352 patent, and (b) complainant satisfied the technical prong of the domestic industry requirement.

In connection with the final disposition of this investigation, the Commission may (1) issue an order that could result in the exclusion of the subject articles from entry into the United States, and/or (2) issue one or more cease and desist orders that could result in the respondent being required to cease and desist from engaging in unfair acts in the importation and sale of such articles. Accordingly, the Commission is interested in receiving written submissions that address the form of remedy, if any, that should be ordered. If a party seeks exclusion of an article from entry into the United States for purposes other than entry for consumption, the party should so indicate and provide information establishing that activities involving other types of entry either are adversely affecting it or are likely to do so. For background, see *Certain Devices for Connecting Computers via Telephone Lines*, Inv. No. 337-TA-360, USITC Pub. No. 2843, Comm'n Op. at 7-10 (Dec. 1994).

If the Commission contemplates some form of remedy, it must consider the effects of that remedy upon the public interest. The factors the Commission will consider include the effect that an exclusion order and/or cease and desist orders would have on (1) the public health and

welfare, (2) competitive conditions in the U.S. economy, (3) U.S. production of articles that are like or directly competitive with those that are subject to investigation, and (4) U.S. consumers. The Commission is therefore interested in receiving written submissions that address the aforementioned public interest factors in the context of this investigation.

If the Commission orders some form of remedy, the President has 60 days to approve or disapprove the Commission's action. During this period, the subject articles would be entitled to enter the United States under bond, in an amount determined by the Commission and prescribed by the Secretary of the Treasury. The Commission is therefore interested in receiving submissions concerning the amount of the bond that should be imposed.

**WRITTEN SUBMISSIONS:** The parties to the investigation are requested to file written submissions on the issues under review. The submissions should be concise and thoroughly referenced to the record in this investigation. Parties to the investigation, interested government agencies, and any other interested parties are encouraged to file written submissions on the issues of remedy, the public interest, and bonding. Such submissions should address the recommended determination on remedy and bonding issued on December 20, 2011, by the ALJ. Complainant is also requested to submit proposed remedial orders for the Commission's consideration. Complainant is further requested to provide the expiration date of the '352 patent, the '762 patent, the '910 patent, the '376 patent, the '133 patent, the '054 patent, and the '566 patent, and state the HTSUS numbers under which the accused articles are imported. The written submissions and proposed remedial orders must be filed no later than the close of business on March 19, 2012. Reply submissions must be filed no later than the close of business on March

27, 2012. No further submissions on these issues will be permitted unless otherwise ordered by the Commission.

Persons filing written submissions must do so in accordance with Commission rule 210.4(f), 19 C.F.R. § 210.4(f) which requires electronic filing. The original document and eight true copies thereof must also be filed on or before the deadlines stated above with the Office of the Secretary. Any person desiring to submit a document (or portion thereof) to the Commission in confidence must request confidential treatment unless the information has already been granted such treatment during the proceedings. All such requests should be directed to the Secretary of the Commission and must include a full statement of the reasons why the Commission should grant such treatment. *See* section 201.6 of the Commission's Rules of Practice and Procedure, 19 C.F.R. § 201.6. Documents for which confidential treatment by the Commission is sought will be treated accordingly. All nonconfidential written submissions will be available for public inspection at the Office of the Secretary.

The authority for the Commission's determination is contained in section 337 of the Tariff Act of 1930, as amended (19 U.S.C. § 1337), and in sections 210.42-.46 of the Commission's Rules of Practice and Procedure (19 C.F.R. §§ 210.42-.46).

By order of the Commission.

James R. Holbein

Secretary to the Commission

Issued: March 2, 2012



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